

Memorandum

DOCKET 06-AFC-6	
DATE	MAY 16 2007
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Date: May 16, 2007
Telephone: (916) 654-4679

To: Commissioner Jeffrey Byron, Presiding Member
Commissioner John Geesman, Associate Member

From: California Energy Commission – Bill Pfanner
1516 Ninth Street
Sacramento, CA 95814-5512

Project Manager



Subject: **AMENDED STATUS REPORT 3 FOR EASTSHORE ENERGY CENTER (06-AFC-6)**

Since the issuance of staff's Status Report 3 for the proposed Eastshore Energy Center (Eastshore), dated May 4, 2007, there have been further developments regarding the involvement of Pacific Gas and Electricity (PG&E) in the project review process. Rather than wait until after the May 23, 2007 workshop and subsequent status report to bring these developments to the Eastshore Committee's attention, staff is amending its previous status report to inform the Committee of these developments now.

As discussed in the May 4, 2007 status report, staff has been working with PG&E to understand the 2004 Long Term Request for Offer (RFO) process and PG&E's selection of this project as part of that process. Staff believes that information about that process is necessary to properly identify project objectives and prepare the alternatives analysis required by the California Environmental Quality Act (CEQA) and the Commission's siting regulations. In addition, many members of the public have requested that PG&E be available to answer questions about the project selection process at a public forum.

PG&E has notified staff that it is declining to participate in the May 23, 2007 workshop. It did provide a letter on May 9, 2007, generally describing the RFO process, which has been posted on the Commission's Eastshore project web page. In its letter, PG&E points out that an independent auditor and a procurement review group were used to select the winning bids in the RFO process. However, as the Commission is aware, participants in that review process, including Commission staff, signed confidentiality agreements, and are prohibited from releasing any details about the review process. PG&E also references the website <http://apps.pge.com/regulation/search.aspx> which contains links to a number of documents that were produced during the review of the RFO process by the California Public Utilities Commission. Many of these documents are also confidential, and those that are public do not appear to shed light on the significance of project location in the review process. The PG&E letter does state that the San Francisco Bay Area experiences transmission constraints and that electricity delivered into the Bay Area region would be advantageous. The Russell City Energy Center and the Eastshore Energy Center deliver power into the Bay Area region.

As a result, staff does not anticipate receiving any more information from PG&E about the project selection process. Staff plans to use publicly-available information for developing its alternatives analysis.

PROOF OF SERVICE (REVISED 5/1/07) FILED WITH
ORIGINAL MAILED FROM SACRAMENTO ON 5/16/07
PJS

BEFORE THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT COMMISSION
OF THE STATE OF CALIFORNIA

APPLICATION FOR CERTIFICATION
FOR THE EASTSHORE ENERGY CENTER
IN HAYWARD
BY TIERRA ENERGY OF TEXAS

Docket No. 06-AFC-6

PROOF OF SERVICE
(Revised 5/1/07)

INSTRUCTIONS: All parties shall either (1) send an original signed document plus 12 copies or (2) mail one original signed copy AND e-mail the document to the address for the Docket as shown below, AND (3) all parties shall also send a printed or electronic copy of the document, which includes a proof of service declaration to each of the individuals on the proof of service list shown below:

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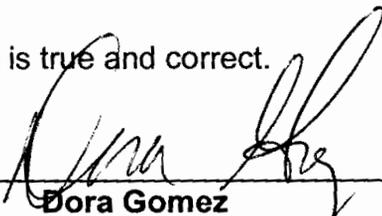
DECLARATION OF SERVICE

I, Dora Gomez, declare that on May 16, 2007, I deposited copies of the attached Amended Status Report 3 for Eastshore Energy Center (06-AFC-6) in the United States mail at Sacramento, California with first-class postage thereon fully prepaid and addressed to those identified on the Proof of Service list above.

OR

Transmission via electronic mail was consistent with the requirements of the California Code of Regulations, title 20, sections 1209, 1209.5, and 1210. All electronic copies were sent to all those identified on the Proof of Service list above.

I declare under penalty of perjury that the foregoing is true and correct.



Dora Gomez